

## Message Text

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ACTION EUR-12

INFO OCT-01 ARA-06 IO-13 ISO-00 FEA-01 ACDA-07 CIAE-00  
INR-07 L-03 NSAE-00 NSC-05 EB-07 NRC-05 OES-06  
DODE-00 ERDA-05 PM-04 /082 W  
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R 231535Z DEC 76  
FM USMISSION EC BRUSSELS  
TO SECSTATE WASHDC 2677  
INFO ALL EC CAPITALS 2931  
ERDA WASHINGTON  
ERDA GEORGETOWN  
USMISSION IAEA VIENNA

C O N F I D E N T I A L BRUSSELS 12678

PASS TO US NRC WASHINGTON

E. O. 11652: GDS  
SUBJECT: VISIT OF NRC CHAIRMAN ROWDEN TO EC

REF: EC BRUSSELS 12423

1. CHAIRMAN ROWDEN MET WITH EC OFFICIALS ON DECEMBER 22-23.  
TOPICS DISCUSSED INCLUDED NON-PROLIFERATION POLICY, SAFEGUARDS,  
REACTOR LICENSING AND SAFETY, AND NUCLEAR EXPORTS.

2. ROWDEN EMPHASIZED THE IMPORTANCE TO BOTH US AND EC OF  
EARLY RESOLUTION OF THE EC-IAEA PROBLEMS IN BRINGING INTO FORCE  
THE VERIFICATION AGREEMENT SO AS TO AVOID EMBARRASSMENT OR  
THE POSSIBILITY OF AN IMPEDIMENT TO THE EXPORT OF NUCLEAR  
MATERIALS. EC OFFICIALS OUTLINED THE RESULTS OF DECEMBER 20  
MEETING IN VIENNA AT WHICH THE EC'S PROPOSED INTERIM ARRANGE-  
MENT WAS PRESENTED. THEY REPORTED THAT IAEA ACCEPTED THE  
PROPOSAL AS A FEASIBLE SOLUTION AND SUGGESTED TWO WAYS OF  
BRINGING IT INTO EFFECT. THE FIRST INVOLVES A PROCEDURE,  
PREVIOUSLY USED BY IAEA, OF HAVING EACH MEMBER COUNTRY STATE  
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THAT THE VERIFICATION AGREEMENT IS QUOTE PROVISIONALLY UNQUOTE  
IN EFFECT. THIS OPTION WOULD NOT REQUIRE IAEA BOARD OF  
GOVERNOR INTERVENTION. THE SECOND METHOD WOULD BE THROUGH AN  
EXCHANGE OF LETTERS BETWEEN THE SEVEN STATES (AND EC) AND THE  
IAEA STATING THAT ALL PRACTICAL MEASURES FORESEEN IN THE AGREE-  
MENT PENDING FORMAL ENTRY INTO FORCE HAD BEEN TAKEN. THIS

OPTION WOULD INCLUDE A TIME LIMIT (12 MONTHS BEING ACCEPTABLE TO IAEA) AND WOULD REQUIRE BOARD OF GOVERNOR APPROVAL. EC IS NOW STUDYING OPTIONS IN CONSULTATION WITH MEMBER COUNTRIES. BASED ON GENERALLY FAVORABLE RESPONSE TO EC PROPOSAL FOR AN INTERIM ARRANGEMENT, MEMBER COUNTRIES WILL NOW BEGIN CONTACTING NUCLEAR INDUSTRIES AND FACILITIES. EC OFFICIALS ESTIMATE THAT, UNDER EITHER OPTION, FINAL AGREEMENT WITH IAEA ON THE INTERIM ARRANGEMENT WOULD BE REACHED BY THE END OF FEBRUARY 1977. IF THE SECOND OPTION IS SELECTED, THEY EXPECT TO BE READY FOR IAEA BOARD MEETING OF FEBRUARY 22. THEY STATED THAT WITH EITHER OPTION SUGGESTED BY IAEA, AGENCY INSPECTION ACTIVITIES COULD BEGIN BY SUMMER 1977.

3. WILLIAMS, DIRECTOR GENERAL FOR ENERGY, REQUESTED EARLY U.S. OPINION ON THE ACCEPTABILITY OF THE PROPOSED INTERIM ARRANGEMENT (REFTEL). ROWDEN REPLIED THAT THIS FINDING WOULD DEPEND ON THE SPECIFICS OF THE ARRANGEMENT AND WOULD BE VIEWED FROM TWO ASPECTS: (1) THE EFFICACY OF THE RESULTING SAFEGUARDS (WHICH HE FELT SHOULD NOT BE A PROBLEM INSOFAR AS IT INVOLVES LOW-ENRICHED URANIUM SUPPLY FOR POWER REACTORS, ASSUMING SAFEGUARDS PROVISIONS CONSISTENT WITH THE EXISTING EURATOM SYSTEM), AND (2) ADVICE FROM DEPT. OF STATE AS TO WHETHER THE ARRANGEMENT SATISFIES US LEGAL OBLIGATIONS UNDER NPT. WILLIAMS HOPED THAT U.S. ACTION WOULD NOT GO SO FAR AS TO REMOVE INCENTIVE ON MEMBER NATIONS TO COMPLETE THEIR FORMAL LEGAL ACTION. HE SUGGESTED THAT US PUT A TIME LIMIT ON THE ACCEPTABILITY. WILLIAMS ALSO EXPRESSED DESIRE OF EC TO BE A DIRECT MEMBER OF THE LONDON SUPPLIERS GROUP, ALTHOUGH ACKNOWLEDGING THAT SUCH ENTRY WOULD REQUIRE CONSENSUS OF PRESENT MEMBERS AND THAT THERE COULD BE OPPOSITION FROM SOME EC MEMBERS OF THE GROUP.

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4. EURATOM SUPPLY AGENCY NOTED TWO EXPORT LICENSES FOR LOW ENRICHED URANIUM NEEDED FROM USG (FOR TWO FRG FACILITIES) THAT WITHOUT EARLY APPROVAL WOULD LEAD TO REACTOR SHUTDOWN. BOTH UTILITIES HAVE INDICATED TO EC THEIR WILLINGNESS TO ACCEPT IAEA INSPECTORS. ROWDEN INDICATED HE WAS AWARE OF THESE PENDING ACTIONS AND WOULD GIVE THEM EARLY ATTENTION, BUT THAT HE COULD NOT PREDICT THE OUTCOME.

5. WITH RESPECT TO THE ONGOING DEBATE BETWEEN EC AND IAEA ON THE DEGREE OF TOTAL INDEPENDENCE NEEDED BY IAEA IN REACHING VERIFICATION CONCLUSIONS, EC OFFICIALS, ON SEVERAL OCCASIONS, POINTED OUT THE DANGER AS THEY PERCEIVE IT OF UNNECESSARY DUPLICATION WITHIN EC. THEY FEAR THAT IT WOULD LEAD TO STRONG MOVEMENTS FROM SOME MEMBER COUNTRIES TO ABOLISH THE EURATOM SAFEGUARDS SYSTEM, A SITUATION THEY FEEL WOULD BE OF BENEFIT TO NO ONE SINCE EURATOM SYSTEM IS PRESENTLY WORKING WELL AND THE IAEA, BECAUSE OF LIMITED NUMBER OF INSPECTORS

AND NEED TO USE THOSE AVAILABLE WORLDWIDE, COULD NOT BE AS EFFECTIVE AS EURATOM SYSTEM WITHIN EUROPE. ROWDEN EMPHASIZED THE IMPORTANCE OF MAINTAINING AND STRENGTHENING THE IAEA IN OVERALL INTERNATIONAL SAFEGUARDS AND THAT INSPECTION AND VERIFICATION BY THAT AGENCY IS A VITAL ELEMENT IN THE INTERNATIONAL SAFEGUARDS REGIME. HE ALSO EMPHASIZED THAT THE U.S. WAS CONCERNED ABOUT THE WORLDWIDE IMPLICATIONS OF THE QUOTE PRECEDENT UNQUOTE PROBLEM IF IT IS PERCEIVED BY OTHERS THAT EC RECEIVES LESS STRINGENT REQUIREMENTS. ROWDEN NOTED THAT IT APPEARED TO HIM THAT THE EC WAS PROCEEDING IN GOOD FAITH TO REACH EARLY IMPLEMENTATION OF THE VERIFICATION AGREEMENT AND THAT THE OBSTACLE TO SUCH RESOLUTION (THE FRENCH) WAS A REAL ONE.

6. THE SUBJECT OF RE-INITIATING THE JOINT US-EURATOM TECHNICAL WORKING GROUP MEETINGS WAS RAISED AGAIN BY EC OFFICIALS. THEY DESIRE EARLY REACTIVATION OF THE GROUP, BUT ON INFORMAL BASIS. ROWDEN SAID HE WOULD LOOK INTO THIS

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MATTER ON HIS RETURN, BECAUSE IT APPEARED TO BE A USEFUL CONCEPT.

7. IN DISCUSSIONS ON REACTOR SAFETY, BOTH EC OFFICIALS AND ROWDEN EXPRESSED VERY OPEN ATTITUDE IN FAVOR OF DEEPER BI-LATERAL COOPERATION BETWEEN NRC AND EC MEMBER STATES. ROWDEN SUGGESTED THAT EC FORMULATE A SPECIFIC PROPOSAL TO THIS END.

8. ROWDEN AND MICHEL VANDEN ABELE, ADVISOR TO PRESIDENT ORTOLI OF EC, DISCUSSED NUCLEAR POLICY IN GENERAL AND THE FRENCH ATTITUDE IN PARTICULAR. VANDEN ABELE NOTED THAT IT WAS THE FRENCH WHO WERE MAKING IT DIFFICULT FOR THE IAEA-EURATOM VERIFICATION AGREEMENT AND THE CANADIAN-EEC BILATERAL AGREEMENT TO COME INTO FORCE, BUT HE PREDICTED A DEFINITE, THOUGH SLOW, TREND TOWARD A MUCH MORE POSITIVE FRENCH ATTITUDE IN THE FUTURE. COMMISSIONER ROWDEN REMARKED THAT IF OTHER SUPPLIERS TO THE COMMUNITY WERE TO SUSPEND SHIPMENTS ON THE GROUNDS OF NON-COMPLIANCE WITH NPT OBLIGATIONS, IT COULD HAVE A PRACTICAL IMPACT ON THE U.S. POSITION IN THIS REGARD. VANDEN ABELE ALSO NOTED THAT THE COMMISSION IS CONSIDERING CHANGES TO CHAPTER 6 OF THE EURATOM TREATY WHICH DEALS WITH THE SUPPLY OF ORES, SOURCE MATERIALS AND SPECIAL FISSILE MATERIALS AND OTHER CHANGES IN THE TREATY TO INCLUDE EXTERNAL NUCLEAR POLICY MATTERS AND PHYSICAL PROTECTION OF NUCLEAR MATERIALS. VANDEN ABELE EXPRESSED INTEREST IN THE FUTURE OF THE LONDON SUPPLIERS GROUP, AND IN PARTICULAR, EC PARTICIPATION IN THE GROUP. ON THE REFUSAL OF THE COMMISSION OF THE SALE OF PLUTONIUM TO TAIWAN, VANDEN ABELE THOUGHT IT WAS AN IMPORTANT FIRST

FOR THE EC AND THAT IT WAS SIGNIFICANT THAT THE FRENCH DID NOT CRITICIZE THE MOVE, WHICH HE INTERPRETS AS A SOFTENING OF THE FRENCH POSITION ON NUCLEAR EXPORT POLICY.

9. MISSION COMMENT: CHAIRMAN ROWDEN'S VISIT WAS USEFUL AND TIMELY. IT AFFORDED THE OPPORTUNITY FOR A  
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DETAILED EXCHANGE OF INSIGHTS AND IDEAS ON THE DIFFICULT PROBLEMS IN NUCLEAR EXPORT POLICY NOW FACING THE EC AND THE USG.HINTON

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## Message Attributes

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